

# City of Detroit

## CITY COUNCIL

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TO: Nancy Skowronski, Director  
Library Department/Municipal Reference Library

FROM: Irvin Corley, Jr., Fiscal Analysis Director

DATE: May 4, 2006

RE: 2006-2007 Budget Analysis

24.

Attached is our budget analysis regarding your department's budget for the upcoming 2006-2007 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing. We would then appreciate a written response to the issues/questions at your earliest convenience subsequent to your budget hearing. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

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Attachment

cc: Councilmembers  
Council Divisions  
Auditor General's Office  
Pamela Scales, Budget Department Director  
Roger Short, Interim Chief Financial Officer  
Ron Chenault, Budget Department Team Leader  
Kandia Milton, Mayor's Office

## Library (72)

### FY 2006-2007 Budget Analysis by the Fiscal Analysis Division

#### Summary

The Detroit Public Library is an Enterprise Fund Agency. The Library enlightens and empowers its citizens to meet their lifelong learning needs through open and equitable access to information, technology, and cultural/educational programs. For fiscal year 2004-2005, the library received 84% of its revenue through the collection of a 3.6331 mill property tax, which is earmarked for community library services.

The recommended 2006-2007 budgeted appropriations for this department total \$47.1 million, which represents a \$2.0 million (4%) decrease over the current fiscal year budget. The budgeted net tax cost for Library is \$0.

#### 2005-2006 Surplus/(Deficit)

The Administration anticipates neither a surplus nor a deficit for this department for fiscal year 2005-2006.

#### Overtime

There was no overtime in the 2005-2006 budget for the Library. Through March 31, 2006, this department has spent \$19,113 on overtime. The recommended overtime budget for fiscal year 2006-2007 is \$0.

#### Personnel and Turnover Savings

No personnel or turnover savings have been identified in the Library for fiscal year 2006-2007.

Following is information by appropriation comparing budgeted fiscal year 2005-2006 positions, March 31, 2006 filled positions and fiscal year 2006-07 recommended positions:

<u>Appropriation/Program</u>	<u>Budgeted Positions FY 2005-06</u>	<u>Filled Positions 3/31/2006</u>	<u>Mayor's Budget Positions FY 2006-07</u>	<u>Over/(Under) Actual to 05/06 Budget</u>	<u>Mayor's Recommended Turnover</u>
<b>Library 72):</b>					
720020 Library - Director of Main Library	1	1	1	0	\$ -
720033 DPL - Children's Library Services	12	11	12	(1)	\$ -
720041 DPL - TIP, GI & Business & Financial	29	24	30	(5)	\$ -
720051 DPL - Sociology, Economics & PRE	19	21	18	2	\$ -
720101 DPL - Music, Performing Arts & Art &	15	17	15	2	\$ -
720110 Technology & Science	15	10	15	(5)	\$ -
720160 Burton Historical Collection	0	22	0	22	\$ -
720265 Special Collections	24	0	24	(24)	\$ -
720522 DPL - Database Mgmt. Services	0	0	0	0	\$ -
720650 Security	15	16	16	1	\$ -

<u>Appropriation/Program</u>	<u>Budgeted Positions FY 2005-06</u>	<u>Filled Positions 3/31/2006</u>	<u>Mayor's</u>		<u>Mayor's Recommended Turnover</u>
			<u>Budget Positions FY 2006-07</u>	<u>Over/(Under) Actual to 05/06 Budget</u>	
<b>00189 Main Library</b>	<b>130</b>	<b>122</b>	<b>131</b>	<b>(8)</b>	<b>\$ -</b>
720201 DPL - Asst. Director Branch Svcs.	2	2	2	0	\$ -
720210 Chaney	7	4	7	(3)	\$ -
720220 Hubbard	7	5	7	(2)	\$ -
720230 Redford	11	7	11	(4)	\$ -
720240 Campbell	7	6	6	(1)	\$ -
720250 Lincoln	7	5	7	(2)	\$ -
720260 Jefferson	8	5	8	(3)	\$ -
720270 Chase	7	5	7	(2)	\$ -
720280 Monteith	8	5	8	(3)	\$ -
720290 Franklin	9	6	9	(3)	\$ -
720300 SIR/Douglas	25	17	24	(8)	\$ -
720310 Elmwood Park	6	4	6	(2)	\$ -
720320 Parkman	12	6	12	(6)	\$ -
720330 Wilder	8	5	8	(3)	\$ -
720340 Conley	7	5	7	(2)	\$ -
720350 Chandler Park	7	5	7	(2)	\$ -
720360 Bowen	8	6	8	(2)	\$ -
720370 Knapp	7	5	7	(2)	\$ -
730380 Edison	7	5	7	(2)	\$ -
720390 Duffield	8	6	8	(2)	\$ -
720400 Sherwood Forest	7	5	7	(2)	\$ -
720410 Downtown	12	8	12	(4)	\$ -
720420 Richard	7	7	7	0	\$ -
720430 Mark Twain	4	3	4	(1)	\$ -
720440 Gray	5	0	5	(5)	\$ -
<b>00190 Branch Services</b>	<b>203</b>	<b>137</b>	<b>201</b>	<b>(66)</b>	<b>\$ -</b>
720002 DPL - Admin. Operations	4	4	4	0	\$ -
720012 Dir. Of Public Services	5	2	5	(3)	\$ -
720172 DPL - Circulation	13	8	13	(5)	\$ -
720452 Marketing Services	8	6	9	(2)	\$ -
720462 Dir. Of Technical Services	2	2	2	0	\$ -
720482 DPL - Bibliographic	14	9	14	(5)	\$ -
720492 Print Shop	3	2	3	(1)	\$ -
720502 DPL - Technical Processing Services	17	13	17	(4)	\$ -
720522 Database Management Services	0	0	0	0	\$ -
720532 Library - Director of Info. Systems	12	8	12	(4)	\$ -
720542 Library - Human Resources	8	7	8	(1)	\$ -
720572 Library - Director Business & Finance	14	13	14	(1)	\$ -
720622 DPL - Facilities Maintenance	24	24	24	0	\$ -
720662 DPL - Shipping Services	8	6	8	(2)	\$ -
<b>10454 DPL - Administrative Management</b>	<b>132</b>	<b>104</b>	<b>133</b>	<b>(28)</b>	<b>\$ -</b>
72XXXX Leave of Absence	0	(2)	0	(2)	\$ -

<u>Appropriation/Program</u>	Budgeted Positions FY 2005-06	Filled Positions 3/31/2006	Mayor's Budget Positions FY 2006-07	Over/(Under) Actual to 05/06 Budget	Mayor's Recommended Turnover
72XXXX Workers Compensation	0	(1)	0	(1)	\$ -
72XXXX Unmatched Positions	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>\$ -</u>
<b>TOTAL</b>	<b><u>465</u></b>	<b><u>363</u></b>	<b><u>465</u></b>	<b><u>(102)</u></b>	<b><u>\$ -</u></b>

#### Significant Changes in Funding by Appropriation

##### Appro.    Program

00189 00987 10454	Main Library	The appropriations for the Main Library decrease by \$2.7 million, which consists of the following: an \$8.4 million decrease in capital equipment (primarily library reference materials), and a \$247,500 decrease in operating supplies. The decreases were offset by a \$4.2 million increase in other expenses resulting from increases in property tax and improvement fund payments to the Downtown Development Authority, and increases of \$168,000 in professional/ contractual services, \$99,867 in operating services, \$723,957 in salaries, and \$728,717 in employee benefits.
00190	Branch Services	This appropriation increases by \$703,242 resulting primarily from a \$254,810 increase in salaries, a \$324,245 increase in benefits due to higher health care costs city-wide, and a \$125,000 increase in operating services.

#### **Library (72)**

Budgeted Professional and Contractual Services by Activity	FY 2005-06 Budget	FY 2006-07 Recommended	Increase (Decrease)
Main Library	\$ -	\$ -	\$ -
Branch Services	<u>903</u>	<u>-</u>	<u>(903)</u>
<b>Total</b>	<b><u>\$ 903</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (903)</u></b>

#### Significant Revenue Changes by Appropriation

##### Appro.    Program

10454	Main Library/Branch Services	Revenue decreases by \$2.0 million due primarily to a \$1.0 million decrease in prior year's real property tax revenue, a \$977,000 decrease in prior year's personal property tax revenue, a \$581,848 decrease for uncollectible current year property taxes, and a \$500,000 decrease in the sale of fixed assets. This decrease is offset by an increase of \$1.5
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million for current year property tax revenues resulting from an increase in assessed property values.

### Issues and Questions

1. How was the \$581,848 for uncollectible property taxes calculated, and why was there no such reduction in the prior year's budget?
2. What is the reason for the \$500,000 decrease in anticipated fixed asset sales?
3. Does the department set targets for average number of days to collect library fines and fees, if so what are those targets?
4. The Comprehensive Annual Financial Report for Fiscal Year 2004-2005 lists the Library's tax rate for fiscal year 2006 at 4.6307 mills, an increase from the 3.6331 mills for fiscal years 2001 through 2005. Why is there an increase in the millage rates? How has this impacted the Library's budget?

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